

Proposal Form

Financial Planning Dealer Group

IN ADDITION TO COMPLETING THIS PROPOSAL, PLEASE SUBMIT THE FOLLOWING ATTACHMENTS:

- Current Approved Product List
- Representative Statement Of Advice
- Current Financial Services Guide
- Current Complaints Register
- If Non-Employed Authorised Representatives are to be covered under the Dealer's PI Policy then please include Non-Employed Authorised Representative Addendum completed by each Non-Employed Authorised Representative.
- A5 Business Description as prepared for your AFS License application
- Copy of current Compliance Manual
- Copy of latest compliance audit report
- Copy of margin lending or gearing guidelines (if applicable)
- Details of Procedures set in selecting and approving investment products and services provided under the AFSL, including details of monitoring Approved Products; procedures in place to remove Approved Products from list
- Provide details of Investment Committee

Important Notice Relating to this Proposal

PLEASE READ THE FOLLOWING ADVICE BEFORE PROCEEDING TO COMPLETE THIS PROPOSAL FORM.

Your Professional Indemnity Insurance Policy is issued on a CLAIMS MADE basis.

This means that this policy responds to:

- (1) Claims first made against you during the policy period and notified to the Insurer during that policy period, providing that you were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a Claim may be made against you; and

(2) Pursuant to Section 40, sub-section 3 of the INSURANCE CONTRACT ACT 1984 which states:

“Where the Insured gave notice in writing to the Insurer of facts that might give rise to a Claim against the Insured as soon as was reasonably practicable after the Insured became aware of those facts but before the insurance cover provided by the contract expired, the Insurer is not relieved of liability under the contract in respect of the Claim, when made, by reason only that it was made after the expiration of the period of insurance cover provided by the contract”

When the policy expires, no new notification generally can be made on the expired policy even though the event giving rise to a Claim against you may have occurred during the policy period.

You will not be entitled to indemnity under your new policy in respect of any Claim arising out of circumstances of which you were aware at any time prior to policy inception which would have put a reasonable person in your position on notice that a Claim may be made against you.

When completing your proposal you are obliged to report and provide full details of all circumstances which have become known to you and which would put a reasonable person in your position on notice that a Claim may be made against you.

This is important to ensure that you make proper disclosure (refer to notice pursuant to the INSURANCE CONTRACT ACT 1984) in order that your entitlement to full indemnity under your new policy is not placed in jeopardy.

In accordance with the provisions of the INSURANCE CONTRACT ACT 1984, DUAL Australia Pty Ltd is required to advise you of your responsibilities in relation to the disclosure of relevant information.

Your Duty of Disclosure

Before you enter into a contract of general insurance with an Insurer, you have a duty, under the INSURANCE CONTRACT ACT 1984 to disclose to the Insurer every matter that you know, or could reasonably be expected to know, is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, upon what terms. You have the same duty to disclose those matters to the Insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matter:

- That diminishes the risk to be undertaken by the Insurer;
- That is of common knowledge;
- That your Insurer knows or, in the ordinary course of his business, ought to know;
- As to which compliance with your duty is waived by their Insurer.

(It should be noted that this duty continues after the proposal form has been completed up until the time the policy is entered into.)

Non – Disclosure

If you fail to comply with your duty of disclosure, the Insurer may be entitled to reduce their liability under the contract in respect of a Claim or may cancel the contract.

If your non-disclosure is fraudulent, the Insurer may also have the option of avoiding the contract from its beginning. It is therefore vital that you make sufficient enquiries BEFORE you complete your proposal form and BEFORE you sign any declaration that there has been no change in the information proposed.

Please take notice of the following statements pursuant to the provisions of the INSURANCE CONTRACT ACT 1984.

Surrender or Waiver of any Right of Contribution or Indemnity

Where another person or company would be liable to compensate you or hold you harmless for part or all or any loss or damage otherwise covered by the policy, but you have agreed with that person either before or after the inception of the policy that you would not seek to recover any loss or damage from that person, you are NOT covered under the policy for any such loss or damage.

Notice of Occurrences or Events

If during the period of this policy, the Insured shall become aware of any occurrence which may give rise to a Claim under the policy and shall during the period of this insurance given written notice to the Insurer of such occurrence, any Claim which may be subsequently made arising out of the occurrence of which notification has been given shall be deemed to be a Claim made during the period of this policy whenever such Claim may actually be made.

Contract by the Insured Affecting Rights of Subrogation

If the proposed contract of insurance includes a provision which excludes or limits the Insurer's liability in respect of any loss because you are a party to an agreement which excludes or limits your rights to recover damages from a third party in respect of that loss, you are hereby notified that signing any such agreement may place your indemnity under the proposed contract of insurance at risk.

When completing this Proposal Form...

- Please answer all questions giving full and complete answers

It is the duty of the Proposer to provide all information that is requested in the proposal form as well as to add additional relevant facts.

A relevant fact is such know fact and/or circumstance that may influence in the evaluation of the risk by the insurer. If you have any doubts about what a relevant fact is, please do not hesitate to contact your broker or insurer.

- If the space provided on the Proposal Form is insufficient, please use a separate signed and dated sheet in order to provide a complete answer to any question
- The proposal form must be completed, signed and dated by a person, who must be of legal capacity and authorised for the purpose of requesting directors & officers liability insurance for the firm who acts as a Proposer.



Privacy Statement

This proposal form does NOT BIND the Proposer to complete the insurance but will form part of any insurance

DUAL Australia Pty Ltd is bound by the obligations of the Privacy Act 1988 as amended by the Privacy Amendments (Private Sector) Act 2000 regarding the collection, use, disclosure and handling of personal information. We will protect the privacy of your personal information.

We will use the information you provide in this Proposal Form (including any supplementary documentation) to consider your application for insurance, to determine policy terms, to assess a claim, etc.

We may disclose your personal information to third parties who we believe are necessary to assist us. These third parties will only use your personal information for the purposes we provided it to them (or if required by law). We may also be required to disclose your personal information to others for the purposes of public safety and/or law enforcement.

If you provide us with personal information about other individuals you must ensure that you obtain consent from those individuals to disclose that information to us.

You are entitled to access your personal information and request any correction if required.

SECTION 1: DETAILS OF THE PROPOSER

1. Insured Name: _____

2. Address of Head Office: _____

3. Telephone Number: _____ 4. Fax Number: _____

5. Web Address: _____

6. Country Or State of Registration: _____ 7. ABN / ACN No: _____

8. Date of Establishment (dd/mm/yyyy): _____

9. Are you a Licensed Dealer? Yes [] No []

10. Please provide your current AFS License Number: Yes [] No []

11. Are you a member of a recognised Industry Association? Yes [] No []

If YES: please provide details: _____

12. Do you have an interest in or an association with any Financial Institution? Yes [] No []

If YES, please provide details: _____

13. Do you have any non-employed Authorised Representatives under your current AFS License? Yes [] No []

If YES, please provide total current number: _____

If NO, proceed to Question 18.

14. Do you require your non-employed Authorised Representatives to have their own PI policy? Yes [] No []

If NO: do you require cover in respect of non-employed Authorised Representatives? Yes [] No []

If YES: please have each non-employed Authorised Representative complete the non-employed Authorised Representative Addendum in order for the policy to extend to cover these Authorised Representatives.

15. Do you require cover in respect of the Previous Business activities of non-employed Authorised Representatives prior to the non-employed Authorised Representative joining your license? (i.e. Are you seeking cover for the activities of an Authorised Representative prior to them operating under your AFS License). Yes [] No []

If YES: where Previous Business cover is required, do you ensure that the approved products and investment advice activities of the non-employed Authorised Representatives' under the previous AFS Licenses are similar to your current AFS Licence. Yes [] No []

16. Do you require run-off cover in relation to the activities of your non-employed Authorised Representatives once they are no longer operating under your AFS License? Yes [] No []

Please provide the name of any outgoing non-employed Authorised Representatives for whom run-off cover is required and the date on which they left the Dealer:

 _____ (if more space needed please provide separately)

17. Please provide details regarding the process of selecting your non-employed Authorised Representatives:

 _____ (if more space needed please provide separately)

18. Do you only engage non-employed Authorised Representatives who recommend investment products and investment strategies as per your current AFS License? Yes [] No []

19. What measures are in place to monitor the compliance of your non-employed Authorised Representatives on an on-going basis?

 _____ (if more space needed please provide separately)

20. Please supply details of training undertaken to meet your obligation for Authorised Representatives according to PIS 146:

 _____ (if more space needed please provide separately)

SECTION 2: GENERAL INFORMATION

1. Does the Company have operations outside of Australia Yes [] No []

2. Has any Claim(s) been made against the Company, director or principal for professional negligence, error or omission in the last 10 years? Yes [] No []

If YES, please provide further details of the Claim, the Claim amount and any payments: _____

 _____ (if more space needed please provide separately)

3. Is the Proposer aware, after enquiry, of any circumstances or incident which may give rise to a Claim?

If YES, please provide further details: Yes [] No []

4. Is the Firm or any Principal or Authorised Representative(s) aware of any circumstance(s) which may result in a claim being made against the Firm, or against any Principal or Authorised Representative(s), or against any partnership or company of which any Principal or Authorised Representative(s) is/was a partner, director, CEO or Authorised Representative?

Yes [] No []

5. Has any person or entity seeking cover under this policy ever been investigated, disciplined, banned or disqualified?

Yes [] No []

If YES, please provide details: _____

6. Do you have any Professional Indemnity Insurance Cover currently in place?

Yes [] No []

If YES, please state:

Name of Insurer:	
Limit of Indemnity:	Deductible:
Expiry Date of Policy:	Retroactive Date:

SECTION 3: INCOME DETAILS

1 (a). Client base by client size (based on last financial year)

Funds Under Management (FUM / FUA) by Client	Number of Clients	By FUM / FUA \$
\$0 - \$250,000		\$
\$250,001 - \$500,000		\$
\$500,001 - \$1,000,000		\$
Over \$1,000,000		\$
TOTAL		\$

1 (b). Client base by client type (based on last financial year)

	Number of Clients	By FUM / FUA \$
First-time Investor		\$
High net worth individual		\$
- Young professionals		\$
- 45 years of age and over		\$
Investors approaching retirement		\$
Retirees		\$
Other (please specify)		\$

2. In respect of gross fees/income for the last financial year, please provide a breakdown by State:

NSW	ACT	QLD	VIC	TAS	SA	WA	NT	Overseas
%	%	%	%	%	%	%	%	%

SECTION 4: PRODUCT PROFILE

1. Please list your top 5 Investment products that produced the most income for you in your previous financial year. If you rebate commissions as a matter of policy, please list the top 5 investment products for which you provide rebates.

Investment Products	Investment Products (Rebate applicable)
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

2. Do you disclose commission earned on each of the products recommended above to all of your clients? Yes [] No []

3. Do any of these institutions have a proprietary interest in your business? Yes [] No []

If YES, please provide full details on a separate page and confirm this is disclosed to all of your clients when recommending an investment product.

4. Do you have a financial or proprietary interest in any of the institutions / products listed above? Yes [] No []

If YES, please provide details: _____

SECTION 5: REMUNERATION

1. Please complete the following table:

Product Name	Type of Product/Investment	Total FUM/FUA	Total Commission Rate for this product	Projected Yield on this Product

2. Please complete the following table:

Total Gross Income (including fees and commissions):	\$
- Last Financial Year	
- Full Annual Estimate for Current Year	
Total FUM / FUA:	
- Last Financial Year	
- Full Annual Estimate	
- Annual in-force Risk Premium	

SECTION 6: BUSINESS ACTIVITY PROFILE

1. Please advise the percentage break-up of your total gross income (both fees & commission) between the following activities (please include income paid to Authorised Representatives):

Financial Planning / Portfolio Management / General Financial Advice	%
Life Insurance acting as an AFS License Holder / Representative	%
Superannuation Administration	%
Mortgage Originator / Broker / Mortgage Management (please advise if delegated authority)	%
General Insurance – NO COVER APPLIES	%
Securities Dealer / Stockbroker activities	%
Other (please specify)	%
TOTAL	100 %

2. Please list the top ten Fund Managers by FUM / FUA where you place your clients' investments:

1.	6.
2.	7.
3.	8.
4.	9.
5.	10.

If more space is required please provide on separate page on your Company's letterhead.

3. Please advise the main administration platform you currently use (for example, wraps, master trusts)

4. a) Client Investment Split:

DIRECT BASIS		
A	Australian / Foreign Equities on a direct basis	%
B	Australian / Foreign Equities on a managed fund basis	%
C	Cash / Fixed Interest Securities :	%
	- Government Bonds	%
	- Debentures, Capital Notes	%
	- Corporate Bonds	%
	- Income Securities	%
D	Government Bonds	%
E	Life Insurance	%
F	Absolute Return Funds (Hedge Funds)	%
G	Debentures	%
H	Derivatives	%
I	Listed Managed Investments (LMIs)	%
J	Listed Property Trusts (LPTs)	%
K	Managed Discretionary Accounts	%
L	Margin Lending	%
M	Mortgage Schemes / Mortgage Backed Securities	%
N	Tax Effective Schemes	%
O	Unlisted Managed Investments	%
P	Unlisted Property Trusts (e.g. syndicates) or direct property	%
Q	Other	%
	Direct Property	
	SUB TOTAL	%
VIA PLATFORMS AND OTHER INVESTMENTS		
R	Wrap Accounts/Self Managed Superannuation	%
S	Master Trusts	%
	SUB TOTAL	%
	TOTAL	100%

- b) Has the above allocation of FUM / FUA varied significantly in the past three years? Yes [] No []
If YES please provide details:

- c) Other than in relation to A-E on a direct basis, do you recommend no more than 15% of your client's total FUM is invested in any one of the remaining investments listed above? Yes [] No []

If NO, please provide full details:

_____ (if more space needed please provide separately)

SECTION 7: AUSTRALIAN EQUITIES ON A DIRECT BASIS (Only complete if applicable)

1. Do you obtain external advice and/or view external analyst reports regarding investing into shares?
 Yes [] No []

If NO: please attach details of guidelines in place to ensure the investment on this basis is suitable to your client

2. Where direct equities form a significant part of the equities portion of a client's portfolio, do you ensure the investments are spread across more than five industries?
 Yes [] No []

If NO please provide full details: _____

3. What criteria do you use in selecting your client's share portfolio?

_____ (if more space needed please provide separately)

SECTION 8: MARGIN LENDING (Only complete if applicable)

1. Do you provide your clients with a copy of the current Product Disclosure Statement (PDS) for each funding provider when recommending margin lending products to any of your clients?
 Yes [] No []

2. Do you provide taxation advice on the implications of Margin Lending? Yes [] No []
 If NO, do you refer them to a Qualified Accountant? Yes [] No []

3. Do any of your margin loans have an LVR of more than 50%? Yes [] No []

If YES please advise the maximum LVR recommended and include full details including the total number of clients and explanation regarding the rationale for this recommendation: _____

_____ (if more space needed please provide separately)

4. When recommending a gearing strategy to your clients, do you utilise:

- | | | |
|-----------------------|---------|--------|
| (b) Home equity loans | Yes [] | No [] |
| (c) Margin loans | Yes [] | No [] |
| (d) Combination loans | Yes [] | No [] |

5. Do you provide your clients with adequate details regarding the investment risk, interest rate risk and if applicable to the margin call risk?
 Yes [] No []

If NO, please explain why:

_____ (if more space needed please provide separately)

6. Please list the margin lending facilities you use:

_____ (if more space needed please provide separately)

SECTION 9: PRODUCTS (Only complete if applicable)

Tax Effective Schemes:

1. If you recommend these investment products, do you ensure the scheme has an ATO ruling? Yes [] No []

If NO, no cover is to apply.

Mortgage Backed Securities / Derivatives / Hedge Funds:

If you recommend these investment products to your clients, please provide the following in order for cover to be considered:

- List of all schemes recommended
- Sample PDS, SOA
- Client's needs analysis
- Offer document
- Investment objective
- The minimum investment amount
- Exit strategy for the investment
- Offer description
- Evidence of research undertaken in selecting this asset class (including S&P rating if applicable)

2. Do you provide your clients with a cooling-off period? Yes [] No []

If NO, please explain why:

(if more space needed please provide separately)

3. Do you disclose the credit risk to your clients at all times when recommending this investment product? Yes [] No []

If NO, please explain why:

(if more space needed please provide separately)

4. What finance facilities are available in respect of this product? Yes [] No []

Please provide details:

(if more space needed please provide separately)

5. Do you assess the investor's suitability when recommending this product? Yes [] No []

If NO, please advise why:

(if more space needed please provide separately)

Please provide a copy of disclaimers used in respect of this investment product.

6. Do you review the underlying financing structure of these investment products, or refer to qualified research opinions? Yes [] No []

If NO, please advise why:

(if more space needed please provide separately)

7. (a) What is the highest projected yield of any of these products recommended? _____
 (b) To what type of clients? _____
8. Please state your policy on any Authorised Representatives giving advice or making recommendations or pacing any clients' investments into any product not on your current Approved Product List: _____

SECTION 10: DISCRETIONARY PORTFOLIO MANAGEMENT (only complete if applicable)

1. Are you involved in client portfolio management on a discretionary basis? Yes [] No []
 If YES, do you have an MDA extension on your AFS license? Yes [] No []
 Please detail your client profile into: Wholesale _____ % Retail _____ %

2. Do you have an Approved Products List? Yes [] No []
 Please provide details of the investment strategy employed regarding Discretionary Portfolio Management:

 _____ (if more space needed please provide separately)

3. Client base by client type (based on last financial year):

	Number of Clients	By FUM \$
First-time Investor		\$
High net worth individual		\$
- Young professionals		\$
- 45 years of age and over		\$
Investors approaching retirement		\$
Retirees		\$
Other (please specify)		\$

SECTION 11: EMPLOYEE INFORMATION

1. Please state the following:
- (a) Total Number of Employees: _____
- (b) Number of Principals, Partners, Directors: _____
- (c) Number of qualified Employees: _____
- (d) Number of advisers including Principal: _____
- (e) Number of paraplanners: _____

2. Please provide the following details for each of the Insured's principals, partners or directors:

Name	Age	Qualifications	Date Qualified	No. Years of the Practice

3. If Previous Business Cover is required, please complete the following details:

Name of Principal, Director or Partner requiring this coverage	Period whilst at this Firm	Name of Firm	Are you aware of any claims or circumstances against the previous business? If YES, please provide details

(a) Was the Professional Business conducted at the previous firm as per the details mentioned in SECTION 6: BUSINESS ACTIVITY PROFILE. Yes [] No []

If NO, please provide further details of your Professional Business while working at the previous firm:

(b) Are you covered under the previous business policy? Yes [] No []

If YES, please provide further details:

SECTION 12: RISK MANAGEMENT

1. Do you have a Risk Management strategy in place? Yes [] No []

2. Do you have an Approved Products list? Yes [] No []

If YES: please advise the process by which a product is approved / recommended

(if more space needed please provide separately)

3. Has your Approved Product List changed from last year? Yes [] No []

If YES please provide details: _____

4. What action do you take when a product or investment is removed from your Approved Product List?

5. How is this communicated to your clients if they have invested in the product now removed from your Approved Product List?

6. Do you conduct a needs analysis for all financial planning/ portfolio management clients and provide them with a SOA?

Yes [] No []

7. Do you disclose the credit risk to your clients at all times when recommending an investment product?

Yes [] No []

If NO, please advise:

_____ (if more space needed please provide separately)

8. Do you provide all your clients with a copy of a Financial Services Guide? Yes [] No []

9. Do you always issue a Prospectus or Product Disclosure statement about the investment product you recommend to your client when required to by law?

Yes [] No []

10. Do you have a cooling off period for your clients when agreeing an investment strategy recommended by you?

Yes [] No []

11. Do you fully disclose all charges applicable to the client in exiting an investment product or superannuation fund?

Yes [] No []

If NO, please advise.

_____ (if more space needed please provide separately)

12. Do you deal in or recommend products or instruments in which **no** disclosure documents are provided in accordance with the Corporations Act to the client by the issuer (e.g. prospectus or product disclosure statement) and **no** product disclosure statement or statement of advice is provided to the client by you?

Yes [] No []

If YES, please advise what products and/or instruments, why no disclosure is made and whether you require OUR written consent for cover to extend to these products and/or instruments:

_____ (if more space needed please provide separately)

13. Do you provide advice in respect of reverse mortgages? Yes [] No []

If YES, please provide full details:

_____ (if more space needed please provide separately)

14. Do you conduct random audits on your client's existing portfolio? Yes [] No []

15. How often do you conduct reviews on client's portfolio? _____

16. Who will be conducting audits on your client's portfolio? _____

17. Does a Para Planner prepare your plans? Yes [] No []

If Not who completes the plans? _____

18. Do you always ensure all of your clients sign an agreement/acceptance for any significant advice given? Yes [] No []

19. Have there been or is there likely to be any ASIC-imposed actions or restraints against the Licensed Dealer or any of their past or current Authorised Representatives within the past five years? Yes [] No []

If YES please provide details; _____

20. When was your last compliance audit? _____

21. Were any issues identified? _____

If YES please specify and include actions taken to remedy: _____

22. Are there any outstanding issues or action (s) required? Yes [] No []

If YES please specify

SECTION 13: LIMIT OF INDEMNITY REQUIRED

1. Please select the amount of Indemnity require:

- a. \$ 2,000,000 []
- b. \$ 3,000,000 []
- c. \$ 4,000,000 []
- d. \$ 5,000,000 []
- e. (Other)



SECTION 14: DECLARATION

SIGNING THIS PROPOSAL FORM DOES NOT BIND THE PROPOSER OR THE INSURER TO COMPLETE THIS INSURANCE

The undersigned declares that the statement and particulars in this proposal form are true and that no material facts have been misstated or suppressed after enquiry. The undersigned agree that should any of the information given by us alter between the date of this proposal and the inception date of the insurance to which this proposal relates, the undersigned will give immediate notice thereof. The undersigned agrees that the Underwriters may use and disclose our personal information in accordance with the "Privacy Statement" at the beginning of this Proposal. The undersigned agrees that this proposal, together with any other information supplied by us shall form the basis of any contract of insurance effected thereon.

TO BE SIGNED BY THE INSURED FOR WHOM THIS INSURANCE IS INTENDED FOR

SIGNATURE **DATE**

NAME

POSITION

IT IS IMPORTANT THE UNDERSIGNED OF THE DECLARATION ABOVE IS FULLY AWARE OF THE SCOPE OF THIS INSURANCE SO THAT THESE QUESTIONS CAN BE ANSWERED CORRECTLY. IF IN DOUBT PLEASE CONTACT THE BROKER OR AGENT, SINCE NON-DISCLOSURE MAY AFFECT AN ASSURED'S RIGHT OF RECOVERY UNDER THE POLICY

DUAL Australia recommends that you keep a record of all information supplied for the purpose of entering into an insurance contract (including copies of this Proposal Form and correspondence)

HOW TO CONTACT DUAL AUSTRALIA PTY LTD:

Address: DUAL Australia Pty Ltd
GPO Box 7101
Sydney NSW 2001
Australia

Telephone: 1300 769 772 (If dialing from outside Australia +61 2 9248 6300)

E-mail: reception@dualaustralia.com.au